

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte SAMUEL N. ZELLNER

Appeal 2007-2117
Application 09/608,184
Technology Center 2100

Decided: November 7, 2007

Before ALLEN R. MACDONALD, JAY P. LUCAS, and
ST. JOHN COURTENAY III, *Administrative Patent Judges*.

COURTENAY, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 56-65. We have jurisdiction under 35 U.S.C. § 6(b). An oral hearing on this appeal was conducted on October 24, 2007. We AFFIRM.

THE INVENTION

The disclosed invention relates to reducing fraud in commercial transactions. More particularly, the disclosed invention is related to monitoring commercial transactions at or near the time of their occurrence by providing a notification message of the commercial transaction to the person or entity responsible for paying for the commercial transaction. (Spec. 1).

Independent claim 56 is illustrative:

56. A commercial transaction processing center comprising:
- determine whether or not the transaction is authorized and to send an authorization indicator to indicate whether or not the transaction is authorized; and
- payer of the commercial transaction with the sending of the authorization indicator by the system, the notification message including a communication address for assistance with the commercial transaction.

THE REFERENCES

Blonder	US 5,708,422	Jan. 13, 1998
Bartoli	US 6,047,268	Apr. 4, 2000

THE REJECTIONS

Claims 56-65 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Blonder in view of Bartoli.

Rather than repeat the arguments of Appellant or the Examiner, we make reference to the Briefs and the Answer for the respective details thereof.

PRINCIPLES OF LAW

“What matters is the objective reach of the claim. If the claim extends to what is obvious, it is invalid under § 103.” *KSR Int’l Co. v. Teleflex, Inc.*, 127 S. Ct. 1727, 1742 (2007). To be nonobvious, an improvement must be “more than the predictable use of prior art elements according to their established functions.” *Id.* at 1740. Appellant has the burden on appeal to the Board to demonstrate error in the Examiner’s position. *See In re Kahn*, 441 F.3d 977, 985-86 (Fed. Cir. 2006) (“On appeal to the Board, an applicant can overcome a rejection [under § 103] by showing insufficient evidence of *prima facie* obviousness or by rebutting the *prima facie* case with evidence of secondary indicia of nonobviousness.”) (quoting *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998)). Therefore, we look to Appellant’s Briefs to show error in the proffered *prima facie* case.

ISSUE(S)

The issue is whether Appellant has shown the Examiner erred in holding the cited combination of prior art would have rendered the claimed subject matter obvious to an artisan having ordinary skill and common sense

at the time of the invention. More particularly, we decide the following issues we have determined are dispositive in this appeal:

Combinability under section 103

(1) Whether Appellant has shown the Examiner has failed to articulate an adequate reasoning with a rational underpinning to support the proffered combinability of Blonder and Bartoli.¹

Elements under section 103

(2) Whether Appellant has shown the Examiner erred in finding that the combination of Blonder and Bartoli teaches and/or suggests the recited “notification message” and associated “communications address.”

ANALYSIS

Combinability under section 103

We begin our analysis by deciding the threshold question of whether Appellant has shown the Examiner has failed to articulate an adequate reasoning with a rational underpinning to support the proffered combinability of Blonder and Bartoli.

¹ “[T]he examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a *prima facie* case of unpatentability.” *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). Moreover, “‘there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness’ . . . [H]owever, the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *KSR*, 127 S. Ct. at 1741 (quoting *In re Kahn*, 441 F.3d at 988).

Appellant contends the only motivation to add features to the primary Blonder reference “is by reading [instant] claims 56, 60, and 62” (App. Br. 8). Appellant asserts that if Blonder was combined with Bartoli, a customer assistance number (as taught by Bartoli) would be provided in an authorization message because Bartoli deals only with authorization. Appellant contends the Examiner’s proffered rationale of “because a customer receiving the message by page would need to know where to call” would not necessarily apply to a notification message where a transaction is already denied or approved (App. Br. 8; *see also* Ans. 4). Appellant points out that it may not be desirable to send a message to the customer if the customer is a thief or other unauthorized user. Appellant contends that only instant claim 56 teaches it may be desirable to send a notification message to the payer of the commercial transaction, which includes a help communication address. Thus, Appellant concludes the Examiner has impermissibly relied upon hindsight in formulating the rejection (App. Br. 8-9).

The Examiner disagrees. The Examiner argues there is sufficient motivation to combine Blonder and Bartoli from the knowledge generally available to one of ordinary skill in the art (Ans. 4). The Examiner notes that Blonder teaches a transaction authorization and alert system where the customer is alerted via a pager or other means when a transaction is made (*See* Blonder, e.g., col. 2, l. 61 through col. 3, l. 22). The Examiner notes that Bartoli teaches providing a customer assistance phone number after a failed authorization (*See* Bartoli, col. 7, ll. 28-34). Thus, the Examiner contends that it would have been obvious from the knowledge generally

available to one of ordinary skill in the art to include Bartoli's customer assistance number in Blonder's pager notification. The Examiner reasons that including Bartoli's customer assistance number in Blonder's authorization and monitoring system would have been beneficial to the customer who may have had inquiries regarding a particular transaction (Ans. 4-5).

Regarding the issue of hindsight, in *KSR* the U.S. Supreme Court reaffirmed that "[a] factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning." *KSR*, 127 S. Ct. at 1742. *See also Graham v. John Deere Co.*, 383 U.S. 1, 36 (1966). Nevertheless, in *KSR* the Supreme Court also qualified the issue of hindsight by stating that "[r]igid preventative rules that deny factfinders recourse to common sense, however, are neither necessary under our case law nor consistent with it." *KSR*, 127 S. Ct. at 1742-43.

In *KSR*, the Supreme Court further stated:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

KSR, 127 S. Ct. at 1740.

This reasoning is applicable here. After carefully considering the evidence before us, we find the Examiner's proffered combination of Blonder and Bartoli reasonably teaches and/or suggests Appellant's claimed invention in terms of *familiar elements* that would have been combined by an artisan having common sense using *known methods* to achieve a *predictable result*. We note that commercial transaction authorization and monitoring systems are well known in the art, as evidenced by Blonder and Bartoli. "The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *Leapfrog Enter., Inc. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1161 (Fed. Cir. 2007) (quoting *KSR*, 127 S. Ct. at 1739). "One of the ways in which a patent's subject matter can be proved obvious is by noting that there existed at the time of invention a known problem for which there was an obvious solution encompassed by the patent's claims." *KSR*, 127 S. Ct. at 1742. Here, we agree with the Examiner that it would have been obvious from the knowledge generally available to one of ordinary skill in the art to include Bartoli's customer assistance number in Blonder's pager notification. We further agree with the Examiner that the proffered combination would have been beneficial to the customer who may have had inquiries regarding a particular transaction (*See* Ans. 4-5).

Thus, we find Blonder and Bartoli have complementary features that would have reasonably lead an artisan having ordinary skill and common sense to combine their teachings in the manner suggested by the Examiner. Our reviewing court has stated: "[t]he use of patents as references is not limited to what the patentees describe as their own inventions or to the

problems with which they are concerned. They are part of the literature of the art, relevant for all they contain.” *In re Heck*, 699 F.2d 1331, 1333 (Fed. Cir. 1983) (quoting *In re Lemelson*, 397 F.2d 1006, 1009 (CCPA 1968)). Moreover, Appellant has not shown that the claimed combination of familiar elements produces a new function. Appellant has not provided any factual evidence of secondary considerations such as unexpected or unpredictable results, commercial success, long felt but unmet need, etc.

Thus, when we take account of the inferences and creative steps that a person of ordinary skill in the art would have employed, we conclude the Examiner has articulated an adequate reasoning with a rational underpinning that reasonably supports the legal conclusion of obviousness. We do not agree with Appellant’s assertion that the Examiner has impermissibly engaged in hindsight in formulating the rejection.

Elements under section 103

Independent claims 56, 60, and 62

We consider the Examiner’s rejection of independent claims 56, 60, and 62 as being unpatentable over the teachings of Blonder in view of Bartoli.

We have fully addressed the combinability of Blonder and Bartoli *supra*. Therefore, we decide the question of whether Appellant has shown the Examiner erred in finding that the combination of Blonder and Bartoli teaches and/or suggests the recited “notification message” and associated “communications address.”

Appellant argues that the combination of Blonder and Bartoli does not teach or suggest the recited limitations of:

Claim 56: “the notification message including therein a help communication address for assistance with the commercial transaction.”
(*See App. Br. 6*).

Claim 60: “the notification message including therein a communication address for reporting criminal activity that is related to the commercial transaction.” (*See App. Br. 6*).

Claim 62: “the notification message including therein identifying information related to the commercial transaction, and other information that may be desired by the payer that is independent of the commercial transaction.” (*See App. Br. 6*).

In response, the Examiner, as finder of fact, acknowledges that Blonder does not teach a “help communication address” (Ans. 5). The Examiner relies on the secondary Bartoli reference as teaching a “help communication address,” as claimed (Ans. 3-5; *see also* Bartoli, col. 7, ll. 28-34; *see also* claim 56). Regarding claim 56, the Examiner finds the claimed “notification message including therein a help communication address for assistance with the commercial transaction” broadly but reasonably encompasses Bartoli’s teaching of a customer assistance number (i.e., “a help communication address”) that may be called if a transaction authorization is denied (*See* Bartoli, col. 7, ll. 28-34; *see also* Ans. 5-6). Regarding claim 60, the Examiner proffers that Bartoli’s customer assistance number “could be used to report criminal activity [such as] a stolen credit card.” (Ans. 6, ¶12). With respect to the “independent” information

limitation recited in the last two lines of claim 62, the Examiner relies on Blonder's teaching at Fig. 5, block 502, that shows the credit card "was used for xx transactions within 24 hours" (*See also* Blonder's description of block 502, at col. 7, lines 49-53). In particular, the Examiner finds the number of transactions within the last 24 hours to be independent of the commercial transaction in question. While the Examiner acknowledges that the current transaction may be included in the number of transactions occurring in the last 24 hours, the Examiner nevertheless contends that the "number itself does not have anything specifically to do with the transaction." (Ans. 6-7).

Non-functional Descriptive Material

We begin our analysis by noting that "non-functional descriptive material" is a term coined by the Office to refer to any data or information content that does not exhibit a functional interrelationship with the substrate and does not affect the way the computing processes are performed. *See Examination Guidelines for Computer-Related Inventions*, 1184 Off. Gaz. U.S. Pat. & Trademark Office (O.G.) 87, 89 (March 26, 1996) ("Non-functional descriptive material" includes but is not limited to music, literary works and a compilation or mere arrangement of data."). In contrast, exemplary "functional descriptive material" consists of data structures and computer programs which impart functionality when employed as a computer component.

When "non functional descriptive material" is recorded or stored in a memory or other medium (i.e., substrate) it is treated as analogous to printed

matter cases where what is printed on a substrate bears no functional relationship to the substrate and is given no patentable weight. *See In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (“Where the printed matter is not functionally related to the substrate, the printed matter will not distinguish the invention from the prior art in terms of patentability. Although the printed matter must be considered, in that situation it may not be entitled to patentable weight.”). The Examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1582-83 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d at 1339.

After carefully considering all of the evidence before us, we find Appellant’s arguments turn upon whether we accord patentable weight to the information content of the claimed “notification message” (independent claims 56, 60, and 62), and further, to the type of information intended to be conveyed using the recited “communication address” included in the “notification message” (claims 56 and 60).

Regarding claims 56 and 60, we find the “communication address” included in the notification message does exhibit a functional interrelationship with the claimed monitoring system (i.e., equivalent to the substrate in *In re Lowry*, 32 F.3d at 1582-83). As recited in claim 56, assistance with the commercial transaction is made available to the payer *using the communication address* included in the notification message.

Likewise, in claim 60, criminal activity related to the transaction may be reported *using the communication address* included in the notification message (claim 60). Thus, while we consider the recited “communication address” of claims 56 and 60 as functional descriptive material that is accorded patentable weight, we nevertheless agree with the Examiner that the claimed communication address is taught and/or suggested by Bartoli’s customer assistance telephone number (*See* Bartoli, col. 7, ll. 28-34).

However, we find no such functional interrelationship associated with the information intended to be conveyed using the communication address included in the notification message of claims 56 and 60. Regardless of whether *help assistance is requested* (claim 56) or *criminal activity is reported* (claim 60), we find such information content to be merely data that is not capable of causing the machine to perform any function when read. We consider the claimed *help assistance* and *criminal activity reports* as merely information that is being communicated from one person to another via a designated communication address. We find such data is non-functional descriptive material that is analogous to the content of a telephone conversation or e-mail communication. Just as a telephone device is not patentable merely because it is capable of being used for a particular kind of conversation, we find Appellant’s invention unpatentable for the same reason. Appellant has not argued or shown that such person-to-person communications bear any functional relationship to the claimed monitoring system or that such communications cause the monitoring system to perform any special function. While we have fully considered the aforementioned information content, we accord no patentable weight to information content

associated with person-to-person communications directed to *requesting help assistance* (claim 56) or *reporting criminal activity* (claim 60).

Independent claim 62 differs from claims 56 and 60 in that a “communication address” is not included in the notification message. In claim 62 the recited notification message merely includes “identifying information related to the commercial transaction, and other information that may be desired by the payer that is independent of the commercial transaction.” Here, we find the entire content of the notification message to be non-functional descriptive material. We find such information content is merely data that is not capable of causing the machine to perform any function when read. Although we have fully considered the limitations associated with the recited notification message, we accord no patentable weight to the data (i.e., non-functional descriptive material) contained in the notification message of claim 62.

Because we have determined that no patentable weight is properly accorded to the limitations argued by Appellant in independent claims 56, 60, and 62, we find the Examiner’s proffered combination of Blonder and Bartoli teaches and/or suggests Appellant’s claimed invention. We have addressed the combinability of Blonder and Bartoli *supra*. Thus, we find Appellant has failed to rebut the Examiner’s legal conclusion of obviousness by establishing insufficient evidence of *prima facie* obviousness or evidence of secondary indicia of nonobviousness. Therefore, we sustain the Examiner’s rejection of independent claims 56, 60, and 62 as being unpatentable over Blonder in view of Bartoli.

Dependent claims 57-59, 61, and 63-65

Appellant contends that dependent claims 57-59, 61, and 63-65 are patentable “at least by virtue of the patentability of the independent claims from which they depend.” (App. Br. 9).

In response, we have determined that independent claims 56, 60, and 62 are unpatentable over Blonder and Bartoli, as discussed *supra*.

Appellant further contends that dependent claims 57-59, 61, and 63-65 are independently patentable “because the claimed combinations of information in the notification message are certainly not described or suggested by the cited references.” (App. Br. 10).

In response, we find Appellant has failed to rebut the Examiner’s rejection of these claims with any meaningful analysis. We note that a general allegation that the claims define a patentable invention without specifically pointing out how the language of the claims patentably distinguishes them from the references does not comply with the requirements of MPEP § 1.111(b). Furthermore, a statement which merely points out what a claim recites will not be considered an argument for separate patentability of the claim. *See* 37 C.F.R. § 41.37(c)(1)(vii). Thus, we find Appellant has failed to rebut the Examiner’s legal conclusion of obviousness by establishing insufficient evidence of *prima facie* obviousness or evidence of secondary indicia of nonobviousness. Therefore, we sustain the Examiner’s rejection of claims 57-59, 61, and 63-65 as being unpatentable over Blonder in view of Bartoli for the same reasons set forth in the Answer, and as discussed above with respect to independent claims 56, 60, and 62.

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DECISION

Based on the findings of facts and analysis above, we conclude that the Examiner did not err in rejecting claims 56-65 under 35 U.S.C. § 103(a) for obviousness. Therefore, the decision of the Examiner rejecting claims 56-65 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

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MYERS BIGEL SIBLEY & SAJOVEC, P.A.
P.O. BOX 37428
RALEIGH NC 27627